31 May 1949

INTELLIGENCE MEMORANDUM NO. 180

Executive Registry

SUBJECT: Arab Refugees

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The 725,000 Arab refugees produced by the Palestine war contribute directly to instability in an erea of great strategic importance to the US. If this instability is permitted to develop unchecked, it may well lead to the breakdown of the present weak political, economic, and social structures of the Arab states. Even now the Arab states represent a liability in US global strategy. Because of their weakness they could contribute only insignificantly to their own defense or to the defense of US strategic interests in the event of war between the US and the USSR. Before they can become strong and cooperative allies, a long process of political stabilization and economic development must take place. Neither can take place unless the corresive effect of the refugees on the Arab society is eliminated.

The solution of the problem obviously lies in the reintegration of the refugees into the productive life of the Near Fast, either through the return of the refugees to their homes or through their resettlement elsewhere. For political reasons only a proportion of the refugees can be repatriated. Nevertheless, the repatriation question is critical in that the number of refugees to be resettled cannot be determined until the number who will be repatriated is known. The number repatriated should be as large as possible. In practical terms, repatriated refugees can expect to become self-supporting in a relatively short time, while resettlement will require several years and greater external resources. Moreover, the return of a substantial number of refugees to their homes would not only reduce the resettlement problem to manageable proportions, but would also influence the Arab governments to approach the problem of resettlement in a more constructive frame of mind than they have displayed thus far.

The number of refugees that can be repatriated — and the number that must thereafter be resettled — will ultimately depend on two interlocking political factors: (1) the final determination of Israel's frontiers; and (2) Israel's attitude toward repatriation. Until a final frontier settlement is made, the size and shape of the refugee problem will be subject to variations; if Israel's frontiers were to be drawn according to the 1947 General Assaulty partition plan, 300,000 refugees could probably return to their former homes, while if Israel should obtain at Lausanne more territory than it now controls the refugee rolls might rise to over a million. Since the Israelia now control the territory to which the refugees might return and are extremely unlikely to accept any

Note: This memorandum has not been coordinated with the intelligence organizations of the Departments of State, Army, Navy, and the Air Force.

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significant diminution of their holdings, Israel's consent will be necessary for the repatriation of any substantial number of refugees. Stability might result, therefore, from the establishment of internationally guaranteed frontiers between Israel and its Arab neighbors as soon as possible, together with provision for the return of considerable numbers of refugees to the formerly predominantly Arab areas.

Whether or not a significant number of refugees is repatriated, the question of resettlement will remain. Although from any point of view the problem is formidable, the technical means by which it can be solved are fairly obvious. To begin with, the refugees must be given relief until they are self-supporting. (The present UN relief program will expire at the end of 1949.) To become self-supporting they must be provided with land to till or jobs to work on. In view of the agricultural and industrial backwardness of the area this can be done only if external sources provide the necessary capital for a program based on irrigation and land reclamation schemes. That such a program is feasible is indicated by Jewish resettlement in Falestine during the past twenty years. The cost would be great, but would seem to be a small price to pay for the stability of such a vital strategic area.